

**THE OFFICE OF REGULATORY STAFF  
DIRECT TESTIMONY AND EXHIBITS  
OF  
ROY H. BARNETTE**



**Docket No. 2007-6-G**

**South Carolina Pipeline Corporation  
Annual Review of Purchased Gas Adjustment  
and  
Gas Purchasing Policies**

**DIRECT TESTIMONY OF ROY H. BARNETTE****ON BEHALF OF****THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF****IN RE: SOUTH CAROLINA PIPELINE CORPORATION****PURCHASED GAS ADJUSTMENT ("PGA")****DOCKET NO. 2007-6-G**

**Q. PLEASE STATE FOR THE RECORD YOUR NAME, BUSINESS ADDRESS,  
AND OCCUPATION.**

**A.** My name is Roy H. Barnette. My business address is 1441 Main Street, Suite 300, Columbia, South Carolina, 29201. I am employed by the Office of Regulatory Staff as an Audit Manager.

**Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

**A.** Following a six year enlistment in the United States Marine Corps, I received a B.A. Degree in Business Administration with a major in Accounting from the University of South Carolina in 1968. From 1968 to 1971, I was employed with S. D. Leidesdorf and Company, a national CPA firm in Charlotte, North Carolina. From 1972 until September 1999, I entered the private business sector, where I was employed by Bagnal Builders Supply Company, Inc., here in Columbia, serving as Senior Vice President and Chief Financial Officer. From September 1999 until December 2004, I was employed as a member of the

1       Audit Staff of the South Carolina Public Service  
2       Commission ("Commission") where I participated in cases  
3       involving the regulation of gas, water and wastewater  
4       companies. In January 2005, I began my employment with the  
5       South Carolina Office of Regulatory Staff ("ORS").

6       **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY INVOLVING SOUTH**  
7       **CAROLINA PIPELINE CORPORATION?**

8       A. Commission Order No. 87-1122 required that an annual  
9       review be conducted of South Carolina Pipeline Company's  
10      ("SCPC" or "Company") Purchased Gas Adjustment ("PGA") and  
11      Gas Purchasing Policies. The Company's current procedures  
12      were approved by the Commission in Docket No. 2006-6-G,  
13      Order No. 2006-389 dated June 19, 2006.

14      Effective November 1, 2006, the Company transitioned to  
15      interstate jurisdiction, thereby shortening this review  
16      period to January 2006 through October 2006 instead of the  
17      previously established calendar year review period. In  
18      accordance with the above referenced orders, the ORS Audit  
19      Staff has examined the Company's gas costs for the current  
20      period, January 2006 through October, 2006.

21      The purpose of my testimony is to present the ORS Audit  
22      Staff's findings and recommendations resulting from our  
23      examination of the Company's gas costs for this period.

1 Q. IN CONNECTION WITH YOUR EXAMINATION, DID YOU PREPARE OR  
2 CAUSE TO BE PREPARED, CERTAIN EXHIBITS?

3 A. Yes, the ORS Audit Staff has prepared and attached Audit  
4 Exhibits RHB-1 through RHB-5 in connection with this  
5 examination.

6 Q. WOULD YOU PLEASE DESCRIBE THESE EXHIBITS AND DISCUSS THEIR  
7 RELEVANCE TO THESE PROCEEDINGS?

8 A. Yes. Audit Exhibit RHB-1 summarizes the computation of the  
9 Company's Cost of Gas for the period under examination,  
10 including a summary of hedging activity for the year and  
11 cumulatively through October, 2006. The exhibit's format  
12 is as follows:

13 Invoice Costs - Amounts shown reflect long-term contract  
14 and spot market purchases delivered via the Southern  
15 Natural Gas Company ("Southern"), SCG, and  
16 Transcontinental Gas Pipeline Corporation ("Transco")  
17 systems, by month, for the review period. Purchases  
18 received by SCPC through the Southern system totaled  
19 \$313,443,601; purchases received through the SCG system  
20 totaled \$4,982,622; and those received through the Transco  
21 system totaled \$111,709,445 for total invoice costs for  
22 the review period of \$430,135,668.

23 Storage - These amounts reflect gas purchased and  
24 injected into, and gas withdrawn from, holding facilities

1 provided by the Transco and Southern interstate pipeline  
2 systems. The cost of gas injected into storage is  
3 deducted from the invoice cost in order to calculate the  
4 cost of gas as it has not yet been sold. Conversely, the  
5 cost of gas withdrawn from these storage facilities is  
6 added to invoice cost reflecting its current use.

7 During the period under review, gas costing \$4,891,350 was  
8 injected into Transco storage facilities and \$24,511,385  
9 into Southern facilities.

10 Gas costing \$4,737,894 was withdrawn from Transco  
11 facilities and \$32,192,190 was withdrawn from Southern.

12 The net impact for the period of all Storage activity was  
13 an increase of \$7,527,349 to Invoice Costs in arriving at  
14 the Cost of Gas.

15 **LNG Operations** - Amounts shown in LNG operations represent  
16 the costs of gas either liquefied for off-line storage  
17 (Liquefaction) or returned to a gaseous state (Boil-off  
18 and Vaporization) for current use.

19 In the same manner as storage injections, liquefaction  
20 reduces the invoice cost of gas purchases in arriving at  
21 cost of gas as these costs are associated with storing the  
22 gas for later use.

23 LNG Boil-off and Vaporization represent the cost of the  
24 gas which has been returned to a gaseous state for current

1 consumption. Therefore, it is added to the Invoice Cost in  
2 calculating Cost of Gas for the period.

3 The cost of Boiled-off and Vaporization (at the Bushy Park  
4 and Sally facilities) totaled \$3,998,490 and \$4,046,716,  
5 respectively.

6 The cost of gas liquefied (at the Bushy Park facility  
7 only) totaled \$5,850,315.

8 The net impact for the period of all LNG operations was an  
9 increase of \$2,194,891 to Invoice Costs in arriving at the  
10 Cost of Gas.

11 **Capacity Release** - This amount represents the recovery by  
12 the Company of costs associated with unused pipeline  
13 capacity commitments. In accordance with Commission Order  
14 No. 97-477 dated June 9, 1997, the Company is crediting  
15 Cost of Gas for 100% of capacity released on a current  
16 basis on the Southern, SCG and Transco systems. Total  
17 Capacity Release recovery for the review period, and  
18 resultant deduction from Invoice Cost in arriving at the  
19 Cost of Gas, was \$104,275.

20 **Supplier Refunds** - During the months of February, May,  
21 July, August, and October 2006, the Company received  
22 Supplier Refunds from Transco and Southern totaling  
23 \$573,259. This amount was a reduction from Invoice Cost in  
24 the calculation of Cost of Gas for the period under

1 review. Following the review period, the Company has  
2 received additional supplier refunds. However, the total  
3 amount of additional refunds has yet to be determined. The  
4 ORS Utilities Department will address, in their direct  
5 testimony, the procedure for refunding these additional  
6 supplier refunds to SCPC customers.

7 Trading (Gains)/Losses/Expenses - These amounts represent  
8 trading gains and losses, net of applicable brokerage  
9 fees, on the purchase and subsequent exercise or  
10 expiration of gas purchase options and futures contracts.  
11 These trades, referred to as hedging activities, are  
12 conducted pursuant to Commission Order No. 95-1253 which  
13 authorized the Company to include the net gains and losses  
14 from these activities in its calculation of Cost of Gas.  
15 By Order No. 97-477 dated June 9, 1997, the percentage of  
16 gas allowed under the program was expanded from 60% to 75%  
17 of System Supply Volume. However, the Company has  
18 traditionally hedged 75%, or less, of only its Non-  
19 Competitive Sales Volume.

20 The net impact for the period of all trading activities  
21 was an increase of \$1,394,651 to Invoice Costs in arriving  
22 at the Cost of Gas.

23 At the beginning of the review period, January 1, 2006,  
24 the Company's Hedging Program was showing a Cumulative

1       loss of \$4,792,200. During the review period the Hedging  
2       Program recorded losses of \$1,394,651, resulting in a  
3       Cumulative loss of \$6,186,851 through October 31, 2006.

4       Other - These amounts represent the monthly accumulation  
5       of various additions to and deletions from Invoice Costs  
6       in calculating the Cost of Gas.

7       Additions, such as Property Taxes, Odorants, and System  
8       Imbalances paid to the pipeline companies (Southern, SCG  
9       and Transco), totaled \$579,607 for the period under  
10      review.

11      Deductions from Invoice Costs included Transco Imbalance  
12      Premium Credits, and System Imbalances. Also included in  
13      the other costs category were reductions for sales made in  
14      the months of January and October 2006. These sales were  
15      made to avoid a penalty charge in the imbalance amount on  
16      the Southern system. Total reductions in costs, including  
17      \$2,625 in miscellaneous reductions, were \$1,168,654.

18      The net impact for the period of all "Other" costs was a  
19      reduction of \$589,047 from Invoice Costs in arriving at  
20      the Cost of Gas.

21      As shown on Exhibit RHB-1, the total Cost of Gas recorded  
22      by the Company for the period under review is  
23      \$439,985,978.

24      Q.   WHAT IS INCLUDED ON AUDIT EXHIBIT RHB-2?



1 A. Audit Exhibit RHB-2 shows the Company's assignment of gas  
2 costs incurred in conjunction with sales to either Non-  
3 Competitive Customers (Sales for Resale and Firm  
4 Industrial) or to those customers qualifying for purchases  
5 under the Company's Industrial Sales Program Rider  
6 ("ISPR"). The total weighted average cost of gas ("WACOG")  
7 assigned to Non-Competitive Customers during the review  
8 period was \$197,764,732, or an average of \$11.00 per  
9 dekatherm. Included in this amount were commodity costs of  
10 \$120,933,611, or an average of \$9.02 per dekatherm,  
11 supplier refunds of (\$384,641), demand costs of \$5,280,139  
12 per Commission Order No. 96-336 in Docket No. 96-007-G and  
13 Capacity Release Credits of (\$104,275) (See Docket No. 97-  
14 009, Order No. 97-477) as discussed in Audit Exhibits RHB-  
15 1 and RHB-2. Risk Management resulting from operation of  
16 the hedging program was an increase to Cost of Gas of  
17 \$1,394,651 as discussed in Audit Exhibit RHB-1, or an  
18 average of \$0.0776 per dekatherm. Also, items included in  
19 total Cost of Gas assigned to Non-Competitive Customers  
20 are Storage Withdrawals of \$37,154,507, LNG Boil-Off and  
21 Vaporization of \$8,045,208, Other Demand Charges not  
22 included in the WACOG of \$25,391,665, and other  
23 Miscellaneous Charges/Adjustments of \$53,866. Company Use  
24 for the review period includes Compressor Fuel of

1       \$1,106,087, Unaccounted For of \$2,227,237, for a total of  
2       \$3,333,324 which is billed to Non-Competitive Customers as  
3       a volumetric surcharge to the costs mentioned above.  
4       Including the monthly Company Use Surcharge for recovery  
5       of Company Use and Unaccounted For results in an average  
6       Total Base Rate billed to Non-Competitive Customers of  
7       \$8.42. The total effective average rate assigned to Non-  
8       Competitive Customers including Demand, Commodity, and  
9       Risk Management is \$11.00. However, this rate is not  
10      billed to customers; the Company has a two-part Demand and  
11      Commodity rate structure approved by the Commission.

12      Total costs assigned to customers qualifying for purchases  
13      under the Company's ISPR were \$242,221,246, or an average  
14      for the review period of \$7.07. These costs were assigned  
15      to industrial customers of SCPC in competition with  
16      alternate fuel as well as certain Sales for Resale  
17      customers making ISP requests to serve industrial  
18      customers with alternate fuel capability. Total costs  
19      incurred for the review period were \$439,985,978, or an  
20      overall average of \$8.42 per dekatherm.

21      **Q. WHAT IS INCLUDED ON AUDIT EXHIBIT RHB-3?**

22      A. Audit Exhibit RHB-3 shows the detail of injections and  
23      withdrawals, by month, for each of the Storage Fields on  
24      the Southern and Transco interstate pipelines. The

1 Southern system's Customer Storage Service (CSS) has two  
2 fields: Muldon, located in Prairie County, Mississippi and  
3 Bear Creek, located in Bienville Parish, Louisiana. The  
4 Transco system has four fields: General Storage Service  
5 (GSS) located in Potter and Clinton counties,  
6 Pennsylvania, Eminence Storage Service (ESS) located in  
7 Covington County, Mississippi, a Liquefied Natural Gas  
8 Storage Service (LGA) located in Carlstadt, New Jersey and  
9 Washington Storage Service (WSS) located in St. Landry  
10 Parish, Louisiana. For the period under review, the  
11 Transco fields had total injections of 600,162 dekatherms  
12 at a total cost of \$4,891,350 which converts to an average  
13 injection rate of \$8.15 per dekatherm. Withdrawals totaled  
14 528,093 dekatherms at a total cost of \$4,737,894 which  
15 converts to an average withdrawal rate of \$8.97 per  
16 dekatherm. Total Transco storage inventory on October 31,  
17 2006 equaled 1,114,439 dekatherms with a total cost of  
18 \$8,648,095, or a weighted average cost of \$7.76 per  
19 dekatherm. The Southern system had total injections of  
20 2,743,874 dekatherms at a total cost of \$24,511,385 which  
21 converts to an average injection rate of \$8.93 per  
22 dekatherm. Withdrawals totaled 3,141,092 dekatherms at a  
23 total cost of \$32,192,190 which converts to an average  
24 withdrawal rate of \$10.25 per dekatherm. Total Southern

1 storage inventory on October 31, 2006 equaled 4,163,500  
2 dekatherms at a total cost of \$38,828,273, or a weighted  
3 average cost of \$9.33 per dekatherm. Total storage  
4 inventory at the beginning of the review period totaled  
5 5,603,088 dekatherms at a cost of \$55,003,716, or a  
6 weighted average cost of \$9.82 per dekatherm. Total  
7 storage on October 31, 2006 totaled 5,277,939 dekatherms  
8 at a cost of \$47,476,368, or a weighted average cost per  
9 dekatherm of \$9.00.

10 **Q. WHAT IS INCLUDED ON AUDIT EXHIBIT RHB-4?**

11 A. Audit Exhibit RHB-4 details, by month, LNG inventory  
12 activities for the Salley and Bushy Park facilities. These  
13 inventories are reported on an MCF basis. This exhibit  
14 summarizes all the activity affecting inventory including  
15 Boil-off, Vaporization, Liquefaction, Volume transfers  
16 between facilities, Gas Lost to Atmosphere, Volume  
17 Adjustment, Transportation expenses and Direct Costs  
18 Capitalized. The Salley facility began the review period  
19 with an inventory of 798,070 MCF at a cost of \$6,169,538  
20 or a weighted average rate of \$7.73 per MCF. Salley  
21 inventory on October 31, 2006 totaled 784,035 MCF at a  
22 total cost of \$9,726,912, or a weighted average rate of  
23 \$12.41 per MCF. The Bushy Park facility began the review  
24 period with an inventory of 941,474 MCF at a cost of

1        \$11,470,461, or a weighted average rate of \$12.18 per MCF.  
2        Bushy Park inventory on October 31, 2006 totaled 835,789  
3        MCF at a total cost of \$7,514,852, or an average rate of  
4        \$8.99 per MCF. Capitalized costs at both facilities  
5        consist mostly of electric expenses associated with the  
6        liquefaction capability at the Bushy Park facility, some  
7        of which are allocated to Salley based on the ratio of  
8        volume transported to Salley. Transportation Expenses  
9        charged to Salley are the result of trucking expenses  
10       related to the transportation of 668,567 MCF from Bushy  
11       Park to Salley.

12    **Q. WHAT IS INCLUDED ON AUDIT EXHIBIT RHB-5?**

13    A. Audit Exhibit RHB-5 details the results of the Company's  
14       hedging program for the period under review. These  
15       results are reflected in gains or losses, on a monthly  
16       basis, net of brokerage fees and commissions, resulting  
17       from the purchase of options to buy gas futures contracts  
18       ("Call Options") and the purchase of options to sell gas  
19       futures contracts ("Put Options"). The Company purchased  
20       these "Call" and "Put" options at various strike prices.  
21       The strike price is the specified price at which a gas  
22       futures contract could be bought (Call Option) or sold  
23       (Put Option) if the options were exercised. During the  
24       review period the Company purchased a net of 392 contracts

1 of "Call/ (Put)" Options. The purchases and/or sales of  
2 these options were verified by tracing these transactions  
3 to the broker statements in detail. The purchase and sale  
4 of options for the review period resulted in a net loss,  
5 including fees and other related expenses, of \$1,394,651.  
6 This amount of loss is included in Audit Exhibit RHB-1 and  
7 is an increase to the Invoice Cost in calculating Cost of  
8 Gas for the review period.

9 **Q. WHAT IS THE ORS'S FINDINGS REGARDING SCPC'S GAS COSTS?**

10 A. It is the opinion of ORS that SCPC's gas costs are  
11 accurately stated and that amounts shown fairly represent  
12 the Company's costs incurred for the period January  
13 through October 2006. Furthermore, it appears that the  
14 Company is in compliance with the procedures approved in  
15 prior Commission orders and that the Company has recovered  
16 the actual gas costs for the review period.

17 **Q. DOES THAT CONCLUDE YOUR TESTIMONY?**

18 A. Yes, it does.

**SOUTH CAROLINA PIPELINE CORPORATION  
COST OF GAS COMPUTATION  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G**

| Month  | Invoice Costs |           |             | Total<br>Invoice<br>Costs | Storage (Transco) |             | Storage (Southern) |             | Net<br>Storage<br>Activity |
|--------|---------------|-----------|-------------|---------------------------|-------------------|-------------|--------------------|-------------|----------------------------|
|        | Southern      | SCG       | Transco     |                           | Injections        | Withdrawals | Injections         | Withdrawals |                            |
|        | \$            | \$        | \$          | \$                        | \$                | \$          | \$                 | \$          | \$                         |
| Jan-06 | 64,873,074    | 1,526,129 | 30,520,623  | 96,919,826                | (2,064,381)       | 89,313      | (11,100,975)       | 1,904,554   | (11,171,489)               |
| Feb-06 | 26,311,940    | 1,011,264 | 20,573,686  | 47,896,890                | (7,396)           | 2,052,303   | (1,052,033)        | 14,412,923  | 15,405,797                 |
| Mar-06 | 25,636,400    | 1,513,230 | 18,932,805  | 46,082,435                | (65,672)          | 2,409,891   | (1,290,057)        | 5,885,328   | 6,939,490                  |
| Apr-06 | 36,371,133    | 931,999   | 2,763,071   | 40,066,203                | (22,377)          | 46,654      | (1,399,691)        | 414,304     | (961,110)                  |
| May-06 | 28,946,466    | 0         | 5,293,244   | 34,239,710                | (11,504)          | 22,847      | (885,795)          | 1,181,433   | 306,981                    |
| Jun-06 | 24,342,933    | 0         | 6,225,079   | 30,568,012                | (87,625)          | 38,346      | (1,154,970)        | 2,771,639   | 1,567,390                  |
| Jul-06 | 26,015,092    | 0         | 6,063,857   | 32,078,949                | (758,445)         | 31,490      | (1,354,653)        | 1,675,853   | (405,755)                  |
| Aug-06 | 33,713,018    | 0         | 8,200,181   | 41,913,199                | (1,014,961)       | 30,585      | (2,097,015)        | 1,085,936   | (1,995,455)                |
| Sep-06 | 26,146,426    | 0         | 7,352,717   | 33,499,143                | (700,332)         | 14,552      | (2,682,407)        | 514,087     | (2,854,100)                |
| Oct-06 | 21,087,119    | 0         | 5,784,182   | 26,871,301                | (158,657)         | 1,913       | (1,493,789)        | 2,346,133   | 695,600                    |
| Totals | 313,443,601   | 4,982,622 | 111,709,445 | 430,135,668               | (4,891,350)       | 4,737,894   | (24,511,385)       | 32,192,190  | 7,527,349                  |

| Month  | Bushy Park and Salley LNG Operations |              |              | Capacity<br>Release | Supplier<br>Refunds | Trading (Gains)/<br>Losses/Expenses | Other     | Total Cost<br>of Gas |
|--------|--------------------------------------|--------------|--------------|---------------------|---------------------|-------------------------------------|-----------|----------------------|
|        | Boil-off                             | Vaporization | Liquefaction |                     |                     |                                     |           |                      |
|        | \$                                   | \$           | \$           | \$                  | \$                  | \$                                  | \$        | \$                   |
| Jan-06 | 334,078                              | 30,554       | 0            | (337)               | 0                   | (1,007,633)                         | (630,916) | 84,474,083           |
| Feb-06 | 430,278                              | 3,977,286    | 0            | (154)               | (255,593)           | 1,015,395                           | 35,602    | 68,505,501           |
| Mar-06 | 323,778                              | 0            | 0            | (678)               | 0                   | 709,356                             | 26,287    | 54,080,668           |
| Apr-06 | 497,463                              | 22,673       | 0            | (18,337)            | 0                   | 6,675                               | 36,418    | 39,649,985           |
| May-06 | 738,599                              | 0            | 0            | (10,277)            | (75,903)            | 6,757                               | 25,125    | 35,230,992           |
| Jun-06 | 335,357                              | 4,308        | (798,619)    | (12,639)            | 0                   | 305,843                             | 49,754    | 32,019,406           |
| Jul-06 | 340,615                              | 4,558        | (1,412,033)  | (21,301)            | (6,709)             | 200,402                             | 43,835    | 30,822,561           |
| Aug-06 | 356,172                              | 7,337        | (1,650,297)  | (28,595)            | (30)                | 108,898                             | 45,934    | 38,757,163           |
| Sep-06 | 318,009                              | 0            | (980,809)    | (11,866)            | 0                   | 48,958                              | 124,003   | 30,143,338           |
| Oct-06 | 324,141                              | 0            | (1,008,557)  | (91)                | (235,024)           | 0                                   | (345,089) | 26,302,281           |
| Totals | 3,998,490                            | 4,046,716    | (5,850,315)  | (104,275)           | (573,259)           | 1,394,651                           | (589,047) | 439,985,978          |

Cumulative (Gain)/Loss at 01-01-06  
Cumulative (Gain)/Loss at 10-31-06

4,792,200  
6,186,851

**SOUTH CAROLINA PIPELINE CORPORATION  
GAS COST ASSIGNMENT  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G**

| Month  | Non-Competitive Customers |       |             |                          |                     |                       |                      |                   |       |            |
|--------|---------------------------|-------|-------------|--------------------------|---------------------|-----------------------|----------------------|-------------------|-------|------------|
|        | Commodity Purchases       |       |             | Misc.<br>Chgs./<br>Adjs. | Supplier<br>Refunds | Demand<br>in<br>WACOG | Cap. Rel.<br>Credits | Storage Withdrawn |       |            |
|        | DT's                      | Rate  | Commodity   |                          |                     |                       |                      | DT's              | Rate  | Amount     |
|        | #                         | \$    | \$          |                          |                     |                       |                      | #                 | \$    | \$         |
| Jan-06 | 5,515,710                 | 11.99 | 66,133,762  | 31,783                   | 0                   | 551,348               | (337)                | 194,482           | 10.30 | 2,003,608  |
| Feb-06 | 1,391,832                 | 8.05  | 11,208,333  | 20,507                   | (85,192)            | 496,397               | (154)                | 1,577,369         | 10.52 | 16,590,625 |
| Mar-06 | 1,694,728                 | 7.34  | 12,442,636  | 0                        | 0                   | 551,454               | (678)                | 820,953           | 10.15 | 8,333,010  |
| Apr-06 | 1,005,824                 | 7.30  | 7,345,426   | 1,576                    | 0                   | 528,200               | (18,337)             | 45,379            | 10.21 | 463,233    |
| May-06 | 668,143                   | 6.98  | 4,663,728   | 0                        | (75,903)            | 532,022               | (10,277)             | 118,855           | 10.18 | 1,210,137  |
| Jun-06 | 389,516                   | 6.13  | 2,389,387   | 0                        | 0                   | 513,564               | (12,639)             | 279,542           | 10.10 | 2,823,735  |
| Jul-06 | 535,636                   | 6.26  | 3,354,351   | 0                        | (6,709)             | 529,642               | (21,301)             | 172,947           | 9.92  | 1,715,923  |
| Aug-06 | 523,513                   | 7.42  | 3,884,344   | 0                        | (30)                | 530,109               | (28,595)             | 115,329           | 9.73  | 1,122,067  |
| Sep-06 | 624,761                   | 7.09  | 4,431,567   | 0                        | 0                   | 513,256               | (11,866)             | 54,304            | 9.78  | 531,253    |
| Oct-06 | 1,057,238                 | 4.81  | 5,080,077   | 0                        | (216,807)           | 534,147               | (91)                 | 247,878           | 9.52  | 2,360,916  |
| Totals | 13,406,901                | 9.02  | 120,933,611 | 53,866                   | (384,641)           | 5,280,139             | (104,275)            | 3,627,038         | 10.24 | 37,154,507 |

| Month  | Non-Competitive Customers |       |             |                  |       |           |            |       |             |           |
|--------|---------------------------|-------|-------------|------------------|-------|-----------|------------|-------|-------------|-----------|
|        | Company Use               |       |             | LNG Vaporization |       |           | Totals     |       | Co. Use     |           |
|        | DT's                      | Rate  | Amount      | DT's             | Rate  | Amount    | DT's       | Rate  | Amount      | Surcharge |
|        | #                         | \$    | \$          | #                | \$    | \$        | #          | \$    | \$          | \$        |
| Jan-06 | (55,224)                  | 11.75 | (649,048)   | 35,222           | 10.35 | 364,633   | 5,690,190  | 12.03 | 68,435,749  | 0.09      |
| Feb-06 | (50,184)                  | 9.30  | (466,641)   | 596,664          | 7.39  | 4,407,564 | 3,515,681  | 9.15  | 32,171,439  | 0.09      |
| Mar-06 | (42,000)                  | 7.91  | (332,423)   | 30,525           | 10.61 | 323,779   | 2,504,206  | 8.51  | 21,317,778  | 0.09      |
| Apr-06 | (29,930)                  | 7.59  | (227,261)   | 46,770           | 11.12 | 520,136   | 1,068,043  | 8.06  | 8,612,973   | 0.10      |
| May-06 | 17,921                    | 7.70  | 138,047     | 62,450           | 11.83 | 738,599   | 867,369    | 8.30  | 7,196,353   | (0.06)    |
| Jun-06 | (6,349)                   | 8.34  | (52,963)    | 31,252           | 10.87 | 339,664   | 693,961    | 8.65  | 6,000,748   | 0.02      |
| Jul-06 | (34,230)                  | 7.55  | (258,560)   | 33,996           | 10.15 | 345,174   | 708,349    | 7.99  | 5,658,520   | 0.08      |
| Aug-06 | (82,943)                  | 11.67 | (967,671)   | 36,061           | 10.08 | 363,509   | 591,960    | 8.28  | 4,903,733   | 0.29      |
| Sep-06 | (58,522)                  | 3.56  | (208,495)   | 31,812           | 10.00 | 318,009   | 652,355    | 8.54  | 5,573,724   | 0.10      |
| Oct-06 | (54,625)                  | 5.64  | (308,309)   | 32,264           | 10.05 | 324,141   | 1,282,755  | 6.06  | 7,774,074   | 0.10      |
| Totals | (396,086)                 | 8.42  | (3,333,324) | 937,016          | 8.59  | 8,045,208 | 17,574,869 | 9.54  | 167,645,091 | 0.19      |



**SOUTH CAROLINA PIPELINE CORPORATION  
GAS COST ASSIGNMENT  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G**

|        | Total<br>Base<br>Rate | Risk<br>Mgmt.<br>\$ | Risk<br>Mgmt.<br>Rate/DT | Other<br>Demand | Non-Competitive Customers |       |           |            | Totals |             |
|--------|-----------------------|---------------------|--------------------------|-----------------|---------------------------|-------|-----------|------------|--------|-------------|
|        |                       |                     |                          |                 | Company Use               |       |           |            |        |             |
|        |                       |                     |                          |                 | DT's                      | Rate  | Amount    | DT's       | Rate   | Amount      |
|        | \$                    |                     | \$                       |                 | #                         | \$    | \$        | #          | \$     | \$          |
| Jan-06 | 12.12                 | (1,007,633)         | (0.1754)                 | 2,689,671       | 55,224                    | 11.75 | 649,048   | 5,745,414  | 12.32  | 70,766,835  |
| Feb-06 | 9.24                  | 1,015,395           | 0.2848                   | 2,228,183       | 50,184                    | 9.30  | 466,641   | 3,565,865  | 10.06  | 35,881,658  |
| Mar-06 | 8.60                  | 709,356             | 0.2786                   | 2,592,001       | 42,000                    | 7.91  | 332,423   | 2,546,206  | 9.80   | 24,951,558  |
| Apr-06 | 8.16                  | 6,675               | 0.0061                   | 2,531,058       | 29,930                    | 7.59  | 227,262   | 1,097,973  | 10.36  | 11,377,968  |
| May-06 | 8.24                  | 6,757               | 0.0080                   | 2,591,820       | (17,921)                  | 7.70  | (138,047) | 849,448    | 11.37  | 9,656,883   |
| Jun-06 | 8.67                  | 305,843             | 0.4367                   | 2,575,001       | 6,349                     | 8.34  | 52,964    | 700,310    | 12.76  | 8,934,556   |
| Jul-06 | 8.07                  | 200,402             | 0.2699                   | 2,416,546       | 34,230                    | 7.55  | 258,560   | 742,579    | 11.49  | 8,534,028   |
| Aug-06 | 8.57                  | 108,898             | 0.1614                   | 2,622,949       | 82,943                    | 11.67 | 967,671   | 674,903    | 12.75  | 8,603,251   |
| Sep-06 | 8.64                  | 48,958              | 0.0689                   | 2,627,170       | 58,522                    | 3.56  | 208,494   | 710,877    | 11.90  | 8,458,346   |
| Oct-06 | 6.16                  | 0                   | 0.0000                   | 2,517,266       | 54,625                    | 5.64  | 308,309   | 1,337,380  | 7.93   | 10,599,649  |
| Totals | 9.73                  | 1,394,651           | 0.0776                   | 25,391,665      | 396,086                   | 8.42  | 3,333,325 | 17,970,955 | 11.00  | 197,764,732 |

|        | ISPR Customers |            |              | Total Customers |            |              |
|--------|----------------|------------|--------------|-----------------|------------|--------------|
|        | DT's<br>#      | Rate<br>\$ | Amount<br>\$ | DT's<br>#       | Rate<br>\$ | Amount<br>\$ |
|        |                |            |              |                 |            |              |
| Jan-06 | 1,153,406      | 11.88      | 13,707,248   | 6,898,820       | 12.24      | 84,474,083   |
| Feb-06 | 3,685,736      | 8.85       | 32,623,843   | 7,251,601       | 9.45       | 68,505,501   |
| Mar-06 | 3,938,371      | 7.40       | 29,129,110   | 6,484,577       | 8.34       | 54,080,668   |
| Apr-06 | 3,800,656      | 7.44       | 28,272,017   | 4,898,629       | 8.09       | 39,649,985   |
| May-06 | 3,487,253      | 7.33       | 25,574,109   | 4,336,701       | 8.12       | 35,230,992   |
| Jun-06 | 3,776,743      | 6.11       | 23,084,850   | 4,477,053       | 7.15       | 32,019,406   |
| Jul-06 | 3,649,799      | 6.11       | 22,288,533   | 4,392,378       | 7.02       | 30,822,561   |
| Aug-06 | 4,098,274      | 7.36       | 30,153,912   | 4,773,177       | 8.12       | 38,757,163   |
| Sep-06 | 3,066,631      | 7.07       | 21,684,992   | 3,777,508       | 7.98       | 30,143,338   |
| Oct-06 | 3,618,014      | 4.34       | 15,702,632   | 4,955,394       | 5.31       | 26,302,281   |
| Totals | 34,274,883     | 7.07       | 242,221,246  | 52,245,838      | 8.42       | 439,985,978  |

SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G

| Transco GSS |            |          |         |             |          |           |         |           |
|-------------|------------|----------|---------|-------------|----------|-----------|---------|-----------|
|             | Injections |          |         | Withdrawals |          |           | Balance |           |
|             | DT's       | Price    | Amount  | DT's        | Price    | Amount    | DT's    | Wtd. Cost |
|             |            | \$       | \$      |             | \$       | \$        | \$      | \$        |
| Beg. Bal.   |            |          |         |             |          |           | 70,159  | 10.09044  |
| Jan-06      | 1,492      | 12.38673 | 18,481  | (1,454)     | 10.09078 | (14,672)  | 70,197  | 10.13924  |
| Feb-06      | 0          | 0.00000  | 0       | (35,296)    | 10.13928 | (357,876) | 34,901  | 10.13919  |
| Mar-06      | 0          | 0.00000  | 0       | (16,577)    | 10.13929 | (168,079) | 18,324  | 10.13911  |
| Apr-06      | 921        | 8.09012  | 7,451   | 0           | 0.00000  | 0         | 19,245  | 10.04105  |
| May-06      | 0          | 0.00000  | 0       | 0           | 0.00000  | 0         | 19,245  | 10.04105  |
| Jun-06      | 12,510     | 6.25931  | 78,304  | 0           | 0.00000  | 0         | 31,755  | 8.55122   |
| Jul-06      | 12,041     | 8.65028  | 104,158 | 0           | 0.00000  | 0         | 43,796  | 8.57845   |
| Aug-06      | 11,036     | 9.99456  | 110,300 | 0           | 0.00000  | 0         | 54,832  | 8.86347   |
| Sep-06      | 10,680     | 7.30562  | 78,024  | 0           | 0.00000  | 0         | 65,512  | 8.60951   |
| Oct-06      | 10,702     | 8.23061  | 88,084  | 0           | 0.00000  | 0         | 76,214  | 8.55630   |
|             | 59,382     | 8.16412  | 484,802 | (53,327)    | 10.13796 | (540,627) |         |           |

  

| Transco ESS |            |         |        |             |         |        |         |           |
|-------------|------------|---------|--------|-------------|---------|--------|---------|-----------|
|             | Injections |         |        | Withdrawals |         |        | Balance |           |
|             | DT's       | Price   | Amount | DT's        | Price   | Amount | DT's    | Wtd. Cost |
|             |            | \$      | \$     |             | \$      | \$     | \$      | \$        |
| Beg. Bal.   |            |         |        |             |         |        | 54,536  | 1.99454   |
| Jan-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Feb-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Mar-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Apr-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| May-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Jun-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Jul-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Aug-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Sep-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
| Oct-06      | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      | 54,536  | 1.99454   |
|             | 0          | 0.00000 | 0      | 0           | 0.00000 | 0      |         |           |

**SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G**

|           |        |            | Transco LNG |             |          |        |         |           |
|-----------|--------|------------|-------------|-------------|----------|--------|---------|-----------|
|           | DT's   | Injections | DT's        | Withdrawals | Amount   | DT's   | Balance | Wtd. Cost |
|           |        | Price      |             | Price       |          |        | Amount  |           |
|           |        | \$         |             | \$          | \$       |        | \$      | \$        |
| Beg. Bal. |        |            |             |             |          | 10,018 | 97,768  | 9.75923   |
| Jan-06    | 0      | 0.00000    | 0           | 0.00000     | 0        | 10,018 | 97,768  | 9.75923   |
| Feb-06    | 0      | 0.00000    | (2,841)     | 9.75924     | (27,726) | 7,177  | 70,042  | 9.75923   |
| Mar-06    | 0      | 0.00000    | (7,177)     | 9.75923     | (70,042) | 0      | 0       | 0.00000   |
| Apr-06    | 0      | 0.00000    | 0           | 0.00000     | 0        | 0      | 0       | 0.00000   |
| May-06    | 1,364  | 7.50806    | 0           | 0.00000     | 0        | 1,364  | 10,241  | 7.50806   |
| Jun-06    | 1,320  | 6.26061    | 0           | 0.00000     | 0        | 2,684  | 18,505  | 6.89456   |
| Jul-06    | 1,612  | 9.33747    | 0           | 0.00000     | 0        | 4,296  | 33,557  | 7.81122   |
| Aug-06    | 1,612  | 9.92618    | 0           | 0.00000     | 0        | 5,908  | 49,558  | 8.38829   |
| Sep-06    | 1,560  | 7.30705    | 0           | 0.00000     | 0        | 7,468  | 60,957  | 8.16243   |
| Oct-06    | 2,882  | 8.19709    | 0           | 0.00000     | 0        | 10,350 | 84,581  | 8.17208   |
|           | 10,350 | 8.17208    | (10,018)    | 9.75923     | (97,768) |        |         |           |

  

|           |         |            | Transco WSS |             |             |           |           |           |
|-----------|---------|------------|-------------|-------------|-------------|-----------|-----------|-----------|
|           | DT's    | Injections | DT's        | Withdrawals | Amount      | DT's      | Balance   | Wtd. Cost |
|           |         | Price      |             | Price       |             |           | Amount    |           |
|           |         | \$         |             | \$          | \$          |           | \$        | \$        |
| Beg. Bal. |         |            |             |             |             | 907,657   | 7,580,162 | 8.35135   |
| Jan-06    | 187,047 | 10.93789   | (8,890)     | 8.39606     | (74,641)    | 1,085,814 | 9,551,421 | 8.79655   |
| Feb-06    | 1,039   | 7.11838    | (188,579)   | 8.83821     | (1,666,701) | 898,274   | 7,892,116 | 8.78587   |
| Mar-06    | 9,791   | 6.70738    | (245,781)   | 8.83620     | (2,171,770) | 662,284   | 5,786,018 | 8.73646   |
| Apr-06    | 2,187   | 6.82487    | (5,299)     | 8.80430     | (46,654)    | 659,172   | 5,754,290 | 8.72957   |
| May-06    | 182     | 6.93956    | (2,597)     | 8.79746     | (22,847)    | 656,757   | 5,732,706 | 8.72881   |
| Jun-06    | 183     | 5.77596    | (4,359)     | 8.79697     | (38,346)    | 652,581   | 5,695,417 | 8.72753   |
| Jul-06    | 109,071 | 5.86072    | (3,580)     | 8.79609     | (31,490)    | 758,072   | 6,303,162 | 8.31473   |
| Aug-06    | 122,321 | 7.26498    | (3,655)     | 8.36799     | (30,585)    | 876,738   | 7,161,237 | 8.16805   |
| Sep-06    | 86,821  | 7.03642    | (1,772)     | 8.21219     | (14,552)    | 961,787   | 7,757,594 | 8.06581   |
| Oct-06    | 11,788  | 3.98278    | (236)       | 8.10593     | (1,913)     | 973,339   | 7,802,630 | 8.01635   |
|           | 530,430 | 8.14804    | (464,748)   | 8.82091     | (4,099,499) |           |           |           |

**SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G**

| Total Transco |            |          |           |             |         |             |           |           |
|---------------|------------|----------|-----------|-------------|---------|-------------|-----------|-----------|
|               | Injections |          |           | Withdrawals |         |             | Balance   |           |
|               | DT's       | Price    | Amount    | DT's        | Price   | Amount      | DT's      | Wtd. Cost |
|               |            | \$       | \$        |             | \$      | \$          | \$        | \$        |
| Beg. Bal.     |            |          |           |             |         |             | 1,042,370 | 8.14935   |
| Jan-06        | 188,539    | 10.94936 | 2,064,381 | (10,344)    | 8.63428 | (89,313)    | 1,220,565 | 8.57775   |
| Feb-06        | 1,039      | 7.11838  | 7,396     | (226,716)   | 9.05231 | (2,052,303) | 994,888   | 8.46809   |
| Mar-06        | 9,791      | 6.70738  | 65,672    | (269,535)   | 8.94092 | (2,409,891) | 735,144   | 8.27128   |
| Apr-06        | 3,108      | 7.19981  | 22,377    | (5,299)     | 8.80430 | (46,654)    | 732,953   | 8.26288   |
| May-06        | 1,546      | 7.44114  | 11,504    | (2,597)     | 8.79746 | (22,847)    | 731,902   | 8.25925   |
| Jun-06        | 14,013     | 6.25312  | 87,625    | (4,359)     | 8.79697 | (38,346)    | 741,556   | 8.21818   |
| Jul-06        | 122,724    | 6.18009  | 758,445   | (3,580)     | 8.79609 | (31,490)    | 860,700   | 7.92517   |
| Aug-06        | 134,969    | 7.51996  | 1,014,961 | (3,655)     | 8.36799 | (30,585)    | 992,014   | 7.86841   |
| Sep-06        | 99,061     | 7.06970  | 700,332   | (1,772)     | 8.21219 | (14,552)    | 1,089,303 | 7.79521   |
| Oct-06        | 25,372     | 6.25323  | 158,657   | (236)       | 8.10593 | (1,913)     | 1,114,439 | 7.76004   |
|               | 600,162    | 8.15005  | 4,891,350 | (528,093)   | 8.97170 | (4,737,894) |           |           |

  

| Southern (CSS) |            |          |            |             |          |              |           |           |
|----------------|------------|----------|------------|-------------|----------|--------------|-----------|-----------|
|                | Injections |          |            | Withdrawals |          |              | Balance   |           |
|                | DT's       | Price    | Amount     | DT's        | Price    | Amount       | DT's      | Wtd. Cost |
|                |            | \$       | \$         |             | \$       | \$           | \$        | \$        |
| Beg. Bal.      |            |          |            |             |          |              | 4,560,718 | 10.19775  |
| Jan-06         | 935,591    | 11.86520 | 11,100,975 | (186,790)   | 10.19623 | (1,904,554)  | 5,309,519 | 10.49163  |
| Feb-06         | 122,351    | 8.59848  | 1,052,033  | (1,373,977) | 10.48993 | (14,412,923) | 4,057,893 | 10.43512  |
| Mar-06         | 174,132    | 7.40850  | 1,290,057  | (564,107)   | 10.43300 | (5,885,328)  | 3,667,918 | 10.29176  |
| Apr-06         | 185,879    | 7.53012  | 1,399,691  | (40,264)    | 10.28969 | (414,304)    | 3,813,533 | 10.15718  |
| May-06         | 121,012    | 7.31989  | 885,795    | (116,335)   | 10.15544 | (1,181,433)  | 3,818,210 | 10.06731  |
| Jun-06         | 180,361    | 6.40366  | 1,154,970  | (275,354)   | 10.06573 | (2,771,639)  | 3,723,217 | 9.88995   |
| Jul-06         | 203,155    | 6.66808  | 1,354,653  | (169,472)   | 9.88867  | (1,675,853)  | 3,756,900 | 9.71578   |
| Aug-06         | 248,631    | 8.43425  | 2,097,015  | (111,781)   | 9.71485  | (1,085,936)  | 3,893,750 | 9.63398   |
| Sep-06         | 381,794    | 7.02580  | 2,682,407  | (53,366)    | 9.63323  | (514,087)    | 4,222,178 | 9.39814   |
| Oct-06         | 190,968    | 7.82220  | 1,493,789  | (249,646)   | 9.39784  | (2,346,133)  | 4,163,500 | 9.32587   |
|                | 2,743,874  | 8.93313  | 24,511,385 | (3,141,092) | 10.24873 | (32,192,190) |           |           |

SOUTH CAROLINA PIPELINE CORPORATION  
STORAGE INVENTORY ACTIVITY  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G

|           | Injections |          |            | Total Storage |             |              | Balance   |            |           |
|-----------|------------|----------|------------|---------------|-------------|--------------|-----------|------------|-----------|
|           | DT's       | Price    | Amount     | DT's          | Withdrawals |              | DT's      | Amount     | Wtd. Cost |
|           |            | \$       | \$         |               | Price       | Amount       |           | \$         | \$        |
| Beg. Bal. |            |          |            |               |             |              |           |            |           |
| Jan-06    | 1,124,130  | 11.71160 | 13,165,356 | (197,134)     | 10.11427    | (1,993,867)  | 5,603,088 | 55,003,717 | 9.81668   |
| Feb-06    | 123,390    | 8.58602  | 1,059,429  | (1,600,693)   | 10.28631    | (16,465,226) | 6,530,084 | 66,175,206 | 10.13390  |
| Mar-06    | 183,923    | 7.37118  | 1,355,729  | (833,642)     | 9.95058     | (8,295,219)  | 5,052,781 | 50,769,409 | 10.04782  |
| Apr-06    | 188,987    | 7.52469  | 1,422,068  | (45,563)      | 10.11694    | (460,958)    | 4,403,062 | 43,829,919 | 9.95442   |
| May-06    | 122,558    | 7.32142  | 897,299    | (118,932)     | 10.12579    | (1,204,280)  | 4,546,486 | 44,791,029 | 9.85179   |
| Jun-06    | 194,374    | 6.39280  | 1,242,595  | (279,713)     | 10.04596    | (2,809,985)  | 4,550,112 | 44,484,048 | 9.77647   |
| Jul-06    | 325,879    | 6.48430  | 2,113,098  | (173,052)     | 9.86607     | (1,707,343)  | 4,464,773 | 42,916,658 | 9.61228   |
| Aug-06    | 383,600    | 8.11255  | 3,111,976  | (115,436)     | 9.67221     | (1,116,521)  | 4,617,600 | 43,322,413 | 9.38202   |
| Sep-06    | 480,855    | 7.03484  | 3,382,739  | (55,138)      | 9.58756     | (528,639)    | 4,885,764 | 45,317,868 | 9.27549   |
| Oct-06    | 216,340    | 7.63819  | 1,652,446  | (249,882)     | 9.39662     | (2,348,046)  | 5,311,481 | 48,171,968 | 9.06940   |
|           | 3,344,036  | 8.79259  | 29,402,735 | (3,669,185)   | 10.06493    | (36,930,084) | 5,277,939 | 47,476,368 | 8.99525   |

**SOUTH CAROLINA PIPELINE CORPORATION**  
**LNG INVENTORY ACTIVITY**  
**FOR TEN MONTHS ENDED OCTOBER 31, 2006**  
**DOCKET NO. 2007-6-G**

| Salley LNG |           |           |              |           |           |                 |          |           |           |
|------------|-----------|-----------|--------------|-----------|-----------|-----------------|----------|-----------|-----------|
| Boil-off   |           |           | Vaporization |           |           | Volume Transfer |          |           |           |
| MCF        | Rate      | Amount    | MCF          | Rate      | Amount    | MCF             | Rate     | Amount    |           |
| #          | \$        | \$        | #            | \$        | \$        | #               | \$       | \$        |           |
| Beg. Bal.  |           |           |              |           |           |                 |          |           |           |
| Jan-06     | (11,672)  | 7.761480  | (90,592)     | (1,707)   | 7.761570  | (13,249)        | 0        | 0.000000  | 0         |
| Feb-06     | (27,705)  | 7.788955  | (215,793)    | (510,631) | 7.788963  | (3,977,286)     | 0        | 0.000000  | 0         |
| Mar-06     | (10,766)  | 8.250325  | (88,823)     | 0         | 0.000000  | 0               | 0        | 0.000000  | 0         |
| Apr-06     | (19,447)  | 10.371831 | (201,701)    | (2,186)   | 10.371912 | (22,673)        | 206,915  | 12.153290 | 2,514,698 |
| May-06     | (34,290)  | 11.864538 | (406,835)    | 0         | 0.000000  | 0               | 486,629  | 12.176611 | 5,925,492 |
| Jun-06     | (13,733)  | 11.965994 | (164,329)    | (360)     | 11.966667 | (4,308)         | 0        | 0.000000  | 0         |
| Jul-06     | (12,897)  | 12.090254 | (155,928)    | (377)     | 12.090186 | (4,558)         | (24,977) | 12.169636 | (303,961) |
| Aug-06     | (12,877)  | 12.227693 | (157,456)    | (600)     | 12.228333 | (7,337)         | 0        | 0.000000  | 0         |
| Sep-06     | (11,398)  | 12.332251 | (140,563)    | 0         | 0.000000  | 0               | 0        | 0.000000  | 0         |
| Oct-06     | (11,956)  | 12.406240 | (148,329)    | 0         | 0.000000  | 0               | 0        | 0.000000  | 0         |
| Totals     | (166,741) | 10.617359 | (1,770,349)  | (515,861) | 7.811040  | (4,029,411)     | 668,567  | 12.169654 | 8,136,229 |

|           | Gas Lost To Atmosphere |          |        | Volume Adjustment<br>MCF | Direct Costs<br>Capitalized | Ending Balance |           |            |
|-----------|------------------------|----------|--------|--------------------------|-----------------------------|----------------|-----------|------------|
|           | MCF                    | Rate     | Amount |                          |                             | MCF            | Rate      | Amount     |
|           | #                      | \$       | \$     | #                        | \$                          | #              | \$        | \$         |
| Beg. Bal. |                        |          |        |                          |                             | 798,070        | 7.730573  | 6,169,538  |
| Jan-06    | 0                      | 0.000000 | 0      | 0                        | 24,663                      | 784,691        | 7.761476  | 6,090,360  |
| Feb-06    | 0                      | 0.000000 | 0      | 0                        | 21,570                      | 246,355        | 7.788967  | 1,918,851  |
| Mar-06    | 0                      | 0.000000 | 0      | 0                        | 113,670                     | 235,589        | 8.250377  | 1,943,698  |
| Apr-06    | 0                      | 0.000000 | 0      | 0                        | 131,181                     | 420,871        | 10.371831 | 4,365,203  |
| May-06    | 0                      | 0.000000 | 0      | 0                        | 476,363                     | 873,210        | 11.864526 | 10,360,223 |
| Jun-06    | 0                      | 0.000000 | 0      | 0                        | 88,607                      | 859,117        | 11.965999 | 10,280,193 |
| Jul-06    | 0                      | 0.000000 | 0      | 0                        | 108,753                     | 820,866        | 12.090279 | 9,924,499  |
| Aug-06    | 0                      | 0.000000 | 0      | 0                        | 112,832                     | 807,389        | 12.227734 | 9,872,538  |
| Sep-06    | 0                      | 0.000000 | 0      | 0                        | 84,368                      | 795,991        | 12.332229 | 9,816,343  |
| Oct-06    | 0                      | 0.000000 | 0      | 0                        | 58,898                      | 784,035        | 12.406222 | 9,726,912  |
| Totals    | 0                      | 0.000000 | 0      | 0                        | 1,220,905                   |                |           |            |

SOUTH CAROLINA PIPELINE CORPORATION  
LNG INVENTORY ACTIVITY  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G

## AUDIT EXHIBIT RHB-4

| Bushy Park LNG |           |           |             |              |           |          |              |          |           |            |
|----------------|-----------|-----------|-------------|--------------|-----------|----------|--------------|----------|-----------|------------|
|                | Boil-off  |           |             | Vaporization |           |          | Liquefaction |          |           | Derime Gas |
|                | MCF       | Rate      | Amount      | MCF          | Rate      | Amount   | MCF          | Rate     | Amount    | MCF        |
|                | #         | \$        | \$          | #            | \$        | \$       | #            | \$       | \$        | #          |
| Beg. Bal.      |           |           |             |              |           |          |              |          |           |            |
| Jan-06         | (19,909)  | 12.229946 | (243,486)   | (1,415)      | 12.229682 | (17,305) | 0            | 0.000000 | 0         | 0          |
| Feb-06         | (17,728)  | 12.098657 | (214,485)   | 0            | 0.000000  | 0        | 0            | 0.000000 | 0         | 0          |
| Mar-06         | (19,360)  | 12.136105 | (234,955)   | 0            | 0.000000  | 0        | 0            | 0.000000 | 0         | 0          |
| Apr-06         | (24,336)  | 12.153271 | (295,762)   | 0            | 0.000000  | 0        | 0            | 0.000000 | 0         | 0          |
| May-06         | (27,246)  | 12.176613 | (331,764)   | 0            | 0.000000  | 0        | 0            | 0.000000 | 0         | 0          |
| Jun-06         | (16,714)  | 10.232619 | (171,028)   | 0            | 0.000000  | 0        | 112,662      | 7.088628 | 798,619   | (1,324)    |
| Jul-06         | (20,377)  | 9.063503  | (184,687)   | 0            | 0.000000  | 0        | 205,640      | 6.866529 | 1,412,033 | 0          |
| Aug-06         | (22,201)  | 8.950768  | (198,716)   | 0            | 0.000000  | 0        | 203,445      | 8.111760 | 1,650,297 | 0          |
| Sep-06         | (20,126)  | 8.816754  | (177,446)   | 0            | 0.000000  | 0        | 133,288      | 7.358569 | 980,809   | 0          |
| Oct-06         | (20,044)  | 8.771303  | (175,812)   | 0            | 0.000000  | 0        | 128,795      | 7.830715 | 1,008,557 | 0          |
| Totals         | (208,041) | 10.710105 | (2,228,141) | (1,415)      | 12.229682 | (17,305) | 783,830      | 7.463755 | 5,850,315 | (1,324)    |

|           | Gas Lost To Atmosphere |           |         | Volume Transfer Salley |           |             | Volume     | Ending Balance |         |           |            |
|-----------|------------------------|-----------|---------|------------------------|-----------|-------------|------------|----------------|---------|-----------|------------|
|           | MCF                    | Rate      | Amount  | MCF                    | Rate      | Amount      | Adjustment | Costs          | MCF     | Rate      | Amount     |
|           |                        |           |         |                        |           |             | MCF        | Capitalized    |         |           |            |
|           | #                      | \$        | \$      | #                      | \$        | \$          | #          | \$             | #       | \$        | \$         |
| Beg. Bal. |                        |           |         |                        |           |             |            |                | 941,474 | 12.183513 | 11,470,461 |
| Jan-06    | (68)                   | 12.235294 | (832)   | 0                      | 0.000000  | 0           | 11,348     | 43,733         | 931,430 | 12.080963 | 11,252,571 |
| Feb-06    | (300)                  | 12.100000 | (3,630) | 0                      | 0.000000  | 0           | 0          | 16,462         | 913,402 | 12.098636 | 11,050,918 |
| Mar-06    | 0                      | 0.000000  | 0       | 0                      | 0.000000  | 0           | 0          | 34,247         | 894,042 | 12.136130 | 10,850,210 |
| Apr-06    | (96)                   | 12.156250 | (1,167) | (206,915)              | 12.153290 | (2,514,698) | 0          | 15,341         | 662,695 | 12.153289 | 8,053,924  |
| May-06    | 0                      | 0.000000  | 0       | (486,629)              | 12.176611 | (5,925,492) | 0          | 15,455         | 148,820 | 12.176609 | 1,812,123  |
| Jun-06    | 0                      | 0.000000  | 0       | 0                      | 0.000000  | -           | 0          | 51,350         | 243,444 | 10.232596 | 2,491,064  |
| Jul-06    | 0                      | 0.000000  | 0       | 24,977                 | 12.169636 | 303,961     | 0          | 89,600         | 453,684 | 9.063513  | 4,111,971  |
| Aug-06    | 0                      | 0.000000  | 0       | 0                      | 0.000000  | 0           | 0          | 119,548        | 634,928 | 8.950779  | 5,683,100  |
| Sep-06    | 0                      | 0.000000  | 0       | 0                      | 0.000000  | 0           | 0          | 109,278        | 748,090 | 8.816775  | 6,595,741  |
| Oct-06    | (88)                   | 8.772727  | (772)   | 0                      | 0.000000  | 0           | (20,964)   | 87,138         | 835,789 | 8.991327  | 7,514,852  |
| Totals    | (552)                  | 11.596014 | (6,401) | (668,567)              | 12.169654 | (8,136,229) | (9,616)    | 582,152        |         |           |            |

SOUTH CAROLINA PIPELINE CORPORATION  
RISK MANAGEMENT - HEDGING PROGRAM  
GAIN/(LOSS) RECOGNIZED AND OTHER EXPENSES  
FOR TEN MONTHS ENDED OCTOBER 31, 2006  
DOCKET NO. 2007-6-G

| Month                             | Type of Contract     | No. of<br>Contracts | Gain or (Loss)        | Trading Fees      | Gain or (Loss)<br>Recognized | Consulting<br>Fees | Zainet<br>Software | FutureSource      | Net Gain or<br>(Loss) |
|-----------------------------------|----------------------|---------------------|-----------------------|-------------------|------------------------------|--------------------|--------------------|-------------------|-----------------------|
| Jan-06                            | Call Options/Futures | 54                  | \$ 1,015,950          | \$ (1,456)        | \$ 1,014,494                 | \$ (4,500)         | \$ (2,073)         | \$ (288)          | \$ 1,007,633          |
| Feb-06                            | Futures              | 168                 | (1,005,450)           | (3,062)           | (1,008,512)                  | (4,500)            | (2,093)            | (290)             | (1,015,395)           |
| Mar-06                            | Futures              | 90                  | (700,900)             | (1,612)           | (702,512)                    | (4,500)            | (2,054)            | (290)             | (709,356)             |
| Apr-06                            |                      | -                   | -                     | -                 | -                            | (4,500)            | (1,885)            | (290)             | (6,675)               |
| May-06                            |                      | -                   | -                     | -                 | -                            | (4,500)            | (1,967)            | (290)             | (6,757)               |
| Jun-06                            | Call Options/Futures | 20                  | (298,700)             | (337)             | (299,037)                    | (4,500)            | (2,016)            | (290)             | (305,843)             |
| Jul-06                            | Call Options/Futures | 14                  | (193,650)             | (204)             | (193,854)                    | (4,500)            | (2,048)            | -                 | (200,402)             |
| Aug-06                            | Call Options/Futures | 16                  | (100,900)             | (267)             | (101,167)                    | (4,500)            | (2,651)            | (580)             | (108,898)             |
| Sep-06                            | Call Options/Futures | 30                  | (40,850)              | (538)             | (41,388)                     | (4,500)            | (2,780)            | (290)             | (48,958)              |
| Oct-06*                           |                      |                     |                       |                   | -                            |                    |                    |                   |                       |
|                                   | Totals               | <u>392</u>          | <u>\$ (1,324,500)</u> | <u>\$ (7,476)</u> | <u>\$ (1,331,976)</u>        | <u>\$ (40,500)</u> | <u>\$ (19,567)</u> | <u>\$ (2,608)</u> | <u>\$ (1,394,651)</u> |
| Total Increase to the Cost of Gas |                      |                     |                       |                   |                              |                    |                    |                   | <u>\$ (1,394,651)</u> |

\* - There was no Price Risk Adjustment calculated for October 2006.